

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

As of and for the Year Ended December 31, 2000

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	3
GENERAL PURPOSE FINANCIAL STATEMENTS:	
COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP	5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND	6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND BUDGET (GAAP BASIS) AND ACTUAL	7
NOTES TO THE FINANCIAL STATEMENTS	8
SUPPLEMENTAL SCHEDULE:	
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND	16
SUPPLEMENTAL REPORTS:	
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	18
SCHEDULE OF PRIOR AUDIT FINDINGS	20
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	21
MANAGEMENT LETTER	22



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INDEPENDENT AUDITORS' REPORT

Honorable Kenneth W. Darnsteadt
Calcasieu Parish Tax Assessment District
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Calcasieu Parish Tax Assessment District, a component unit of the Calcasieu Parish Police Jury, as of December 31, 2000, and for the year then ended. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Calcasieu Parish Tax Assessment District as of December 31, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 2001 on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants.

Honorable Kenneth W. Darnsteadt
Page Two

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as a supporting schedule in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Calcasieu Parish Tax Assessment District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

June 7, 2001

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP
COMBINED BALANCE SHEET

December 31, 2000

	Governmental Fund Type	Account Group	
	General Fund	General Fixed Assets	Total (Memorandum Only)
ASSETS			
Cash	\$ 35,768	\$ -	\$ 35,768
Receivables, net:			
Taxes	1,142,794	-	1,142,794
Intergovernmental	56,855	-	56,855
Fixed assets	-	70,806	70,806
Total assets	\$ 1,235,417	\$ 70,806	\$ 1,306,223
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 15,535	\$ -	\$ 15,535
Accrued liabilities	32,404	-	32,404
Notes payable	753,000	-	753,000
Total liabilities	800,939	-	800,939
Fund equity:			
Investment in general fixed assets	-	70,806	70,806
Unreserved, undesignated fund balance	434,478	-	434,478
Total fund equity	434,478	70,806	505,284
Total liabilities and fund equity	\$ 1,235,417	\$ 70,806	\$ 1,306,223

The accompanying notes are an integral part of these financial statements.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - GENERAL FUND

For the Year Ended December 31, 2000

REVENUES:

Taxes	\$ 1,162,981
Intergovernmental	85,282
Charges for services	41,956
Interest	8,456
Other	1,182

Total revenues	1,299,857
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EXPENDITURES:

Current:	
General government	1,172,110
Capital outlay	1,519
Interest expense	23,636

Total expenditures	1,197,265
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EXCESS OF REVENUES OVER
EXPENDITURES

102,592

FUND BALANCE, JANUARY 1

331,886

FUND BALANCE, DECEMBER 31

\$ 434,478

The accompanying notes are an integral part of these financial statements.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 1,077,650	\$ 1,162,981	\$ 85,331
Intergovernmental	72,500	85,282	12,782
Charges for service	37,854	41,956	4,102
Interest	5,000	8,456	3,456
Other	-	1,182	1,182
Total revenues	1,193,004	1,299,857	106,853
EXPENDITURES:			
Current:			
General government	1,177,960	1,172,110	5,850
Capital outlay	2,000	1,519	481
Interest	-	23,636	(23,636)
Total expenditures	1,179,960	1,197,265	(17,305)
EXCESS OF REVENUES OVER EXPENDITURES	13,044	102,592	89,548
FUND BALANCE, JANUARY 1	331,886	331,886	-
FUND BALANCE, DECEMBER 31	\$ 344,930	\$ 434,478	\$ 89,548

The accompanying notes are an integral part of these financial statements.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2000

INTRODUCTION

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four-year term. The assessor assesses all real and movable property in the parish subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Calcasieu Parish Tax Assessment District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The assessor is an independently elected official; however, the assessor is fiscally dependent on the Calcasieu Parish Police Jury. The police jury maintains and operates the building in which the assessor's office is located and provides funds for equipment and furniture of the assessor's office. In addition, the police jury's general purpose financial statements would be incomplete or misleading without inclusion of the assessor. For these reasons, the assessor was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the assessor and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2000

C. FUND ACCOUNTING

The assessor uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the assessor are classified as governmental funds. Governmental funds account for the assessor's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. Governmental funds of the assessor include:

1. General Fund – the General Fund, as provided by Louisiana Revised Statute 47:1906, is the principal fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue and compensation received from the various taxing bodies, prescribed by formula in R.S. 47:1907-1908, is accounted for in this fund. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues are susceptible to accrual.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2000

D. BASIS OF ACCOUNTING - Continued

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this rule is accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued.

E. BUDGETS

Annually, the Calcasieu Parish Tax Assessment District adopts a budget for the General Fund on a modified accrual basis of accounting. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget. Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. All budgetary appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS

For reporting purposes, cash includes demand deposits, time deposits, and certificates of deposit. Under state law, the Calcasieu Parish Tax Assessment District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2000, the district has cash and cash equivalents (book balances) totaling \$35,768, as follows:

Interest-bearing demand deposits	<u>\$ 35,768</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties (GASB Category 3). At December 31, 2000, the district has \$79,832 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2000

G. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group rather than in the general fund. General fixed assets provided by the police jury are recorded within the general fixed assets account group of the Calcasieu Parish Police Jury. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. COMPENSATED ABSENCES

The Calcasieu Parish Tax Assessment District's office has a formal leave policy in which the employees of the assessment district's office earn from 10 to 25 days of vacation each year, depending on length of service with the assessment district. Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on years of service. All earned vacation time must be used by the employee and cannot be carried over into the next year. In addition, employees earn 9 days of sick leave each year. Sick leave not used in the year earned may be carried forward into the following year. Sick leave is recorded on a "pay as you go" basis.

I. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LEVIED TAXES

For the year ended December 31, 2000, the assessment district levied 1.46 mills on property subject to taxation to be used for the operations of the assessment office. Total taxes levied for the year were \$1,166,116 on property with assessed valuation totaling \$798,709,780. An allowance for bad debt has been established at \$23,322.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2000

2. LEVIED TAXES - Continued

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15 of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

Balance at January 1, 2000	\$ 98,602
Additions	1,519
Retirements	(<u>29,315</u>)
Balance at December 31, 2000	\$ <u><u>70,806</u></u>

4. PENSION PLAN

Plan Description. Substantially all employees of the Calcasieu Parish Assessor's office are members of the Louisiana Assessors' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2000

4. PENSION PLAN - Continued

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (337)425-4446.

Funding Policy. Plan members are required by state statute to contribute 7.0% of their annual covered salary and the Calcasieu Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 5.75% of annual covered payroll. Contributions to the System also include revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Calcasieu Parish Assessor are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Calcasieu Parish Assessor's contributions to the System for the years ending December 31, 2000, 1999, and 1998, were \$38,551, \$35,195, and \$35,952, respectively, equal to the required contributions for each year.

5. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE

In accordance with state statutes, the District provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go-basis. Substantially all of the District's employees become eligible for these benefits if they reach normal retirement age while working for the District. These benefits for retirees and similar benefits for active employees are provided through Louisiana Assessor's Insurance Fund, whose monthly premiums are paid jointly by the employee and by the District. The cost of retiree benefits included in these expenditures was \$80,495 for 18 retirees.

6. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all District employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan's administrator is PEBSCO.

As the District is not involved in the administration of the Plan, nor does it offer investment advice to the Plan's participants, the Plan is not considered to be a fiduciary fund. Accordingly, the Plan's assets are not included in the accompanying financial statements.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

For the Year Ended December 31, 2000

7. EXPENSES OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENTS

The Calcasieu Parish Tax Assessment District's office is located in the Magnolia Life Building owned by the Calcasieu Parish Police Jury. The upkeep and maintenance of the building is paid by the Calcasieu Parish Police Jury.

8. NOTES PAYABLE

Notes payable consist of the following at December 31, 2000:

Note payable to Jeff Davis Bank
dated April 17, 2000, accruing
interest at 5.95%, maturing on
April 17, 2001, secured by
property tax revenues

\$ 753,000

9. RISK MANAGEMENT

The Assessor is covered with commercial insurance for substantially all risks.

SUPPLEMENTAL SCHEDULE

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF EXPENDITURES - BUDGET
(GAAP BASIS) AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Assessor's personal expense allowance	\$ 8,560	\$ 8,410	\$ 150
Salaries:			
Assessor	85,600	85,600	-
Deputies	590,700	594,308	(3,608)
Materials, supplies and expense:			
Office	49,800	50,589	(789)
Automobile	15,000	23,536	(8,536)
Computer	40,000	101,814	(61,814)
Professional services	11,500	10,729	771
Professional reappraisal contracts	100,000	-	100,000
Workers' compensation	17,500	8,860	8,640
Dues	4,500	4,481	19
Group insurance	173,800	196,343	(22,543)
Contribution to employees' retirement	36,000	49,653	(13,653)
Payroll taxes	-	6,344	(6,344)
Travel, conference and education	45,000	29,733	15,267
Penalties	-	1,710	(1,710)
	<u>\$ 1,177,960</u>	<u>\$ 1,172,110</u>	<u>\$ 5,850</u>

SUPPLEMENTAL REPORTS



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Kenneth W. Darnsteadt
Calcasieu Parish Tax Assessment District
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Calcasieu Parish Tax Assessment District, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2000, and have issued our report thereon dated June 7, 2001. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate management letter dated June 7, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements

Honorable Kenneth W. Darnsteadt
Calcasieu Parish Tax Assessment District
Page 2

being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the District's management, the Calcasieu Parish Police Jury, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

June 7, 2001

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 1999

Section I – Internal Control and Compliance Material to the Financial Statements:

Ref. No. 1-1999

Finding

Actual expenditures exceeded budgeted expenditures in the general fund.

Corrective Action Planned

A comparison of actual expenditures to budgeted expenditures should be reviewed periodically during the year and the budget amended accordingly.

Corrective Action Taken

The planned corrective action was fully implemented. Assessor is in compliance with budget law for year ended December 31, 2000.

CALCASIEU PARISH TAX ASSESSMENT DISTRICT
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2000

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Calcasieu Parish Tax Assessment District.
2. No material weaknesses, reportable conditions, or instances of noncompliance material to the financial statements were identified during the audit of the financial statements performed in accordance with Government Auditing Standards.
3. A separate management letter was issued.



Langley, Williams & Company, L.L.C.

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June 7, 2001

Mr. Kenneth W. Darnsteadt
Calcasieu Parish Tax Assessor
Lake Charles, Louisiana

We have audited the financial statements of the Calcasieu Parish Tax Assessment District (the "District") as of and for the year ended December 31, 2000, and have issued our reports thereon dated June 7, 2001. In planning and performing our audit of the financial statements, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

During our audits, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control and are summarized as follows:

Observation (Ref. ML 2000-1). During the course of our audit we discovered approximately \$4,000 in penalties and interest related to untimely payroll tax deposits. These penalties resulted from late deposits in late 1999 and early 2000. Per discussion with management, cash flow was a problem during this period as the District's operating line of credit was fully funded and ad valorem tax receipts had not yet been received.

Recommendation. Cash flows should be monitored carefully to ensure that payroll tax deposits are made on a timely basis in accordance with Federal regulations because penalties for late payment are severe.

Management Response. The Assessor concurs with auditors' recommendation and will implement the recommendation immediately.

Mr. Kenneth W. Darnsteadt
Calcasieu Parish Tax Assessor
June 7, 2001
Page 2

Observation (Ref. ML 2000-2). During the course of our audit we noted that some employee mileage expense reimbursements and certain charges to the District's credit card lacked appropriate documentation. The Assessor does approve all expenditures and sign all checks as a mitigating control.

Recommendation. All District expenditures should be supported by an invoice or similar documentation and an explanation of the business purpose if not evident from the supporting documentation.

Management Response. The Assessor concurs with auditors' recommendation and will implement the recommendation immediately.

* * * * *

Our procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the above named entities gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the Calcasieu Parish Tax Assessment District management, State of Louisiana Legislative Auditor, and Calcasieu Parish Police Jury, however, this letter is a matter of public record and its distribution is not limited.

Very truly yours,

Langley, William J. Co., LLC